PROGRAM REVIEW GROUP

POM-04 Kick-off

Environments

Yesterday (9/11 New Reality)

- High End Fiscal Guidance – 16 Aug
- AT/FP - **$105M** / Cost of War - **0**
- New Initiatives (4th MEB, Chemical Biological Radiological Nuclear Explosive First Response Team)

Today

Advocacy

Major Defense Plus-up Pending

Tomorrow

OSD Transformation / PPBS Compression

DON PPBS & Efficiencies

N/MC Strategic Vision

Enduring USMC Themes

- Ready, Relevant, Capable Corps
- Most Ready When Nation Least Ready
- Naval Character – Expeditionary Mindset
- Balanced and Defendable Program

POM-04 Brief to the PRG

LtCol Bob Deforge

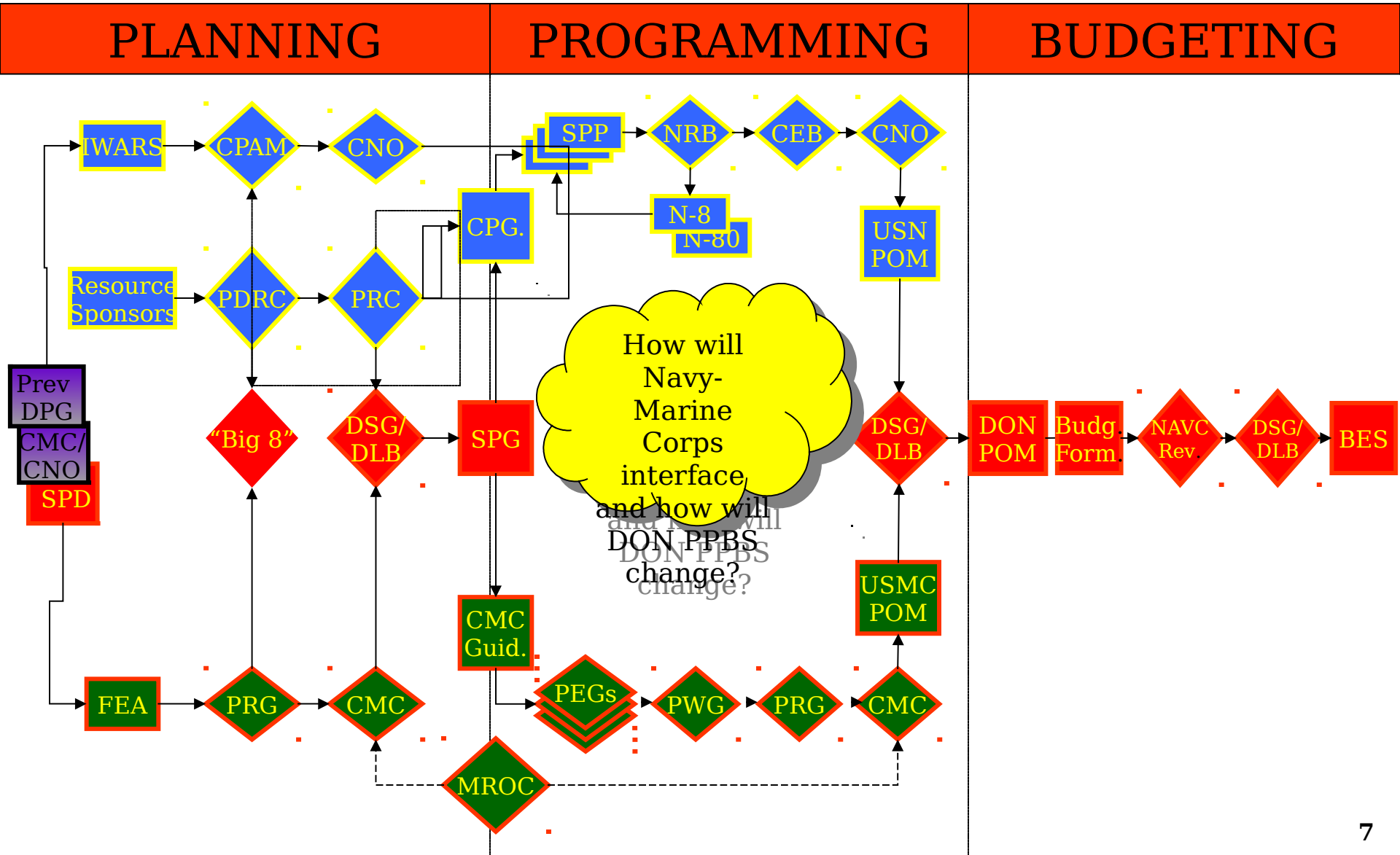
25 January 2002

Agenda

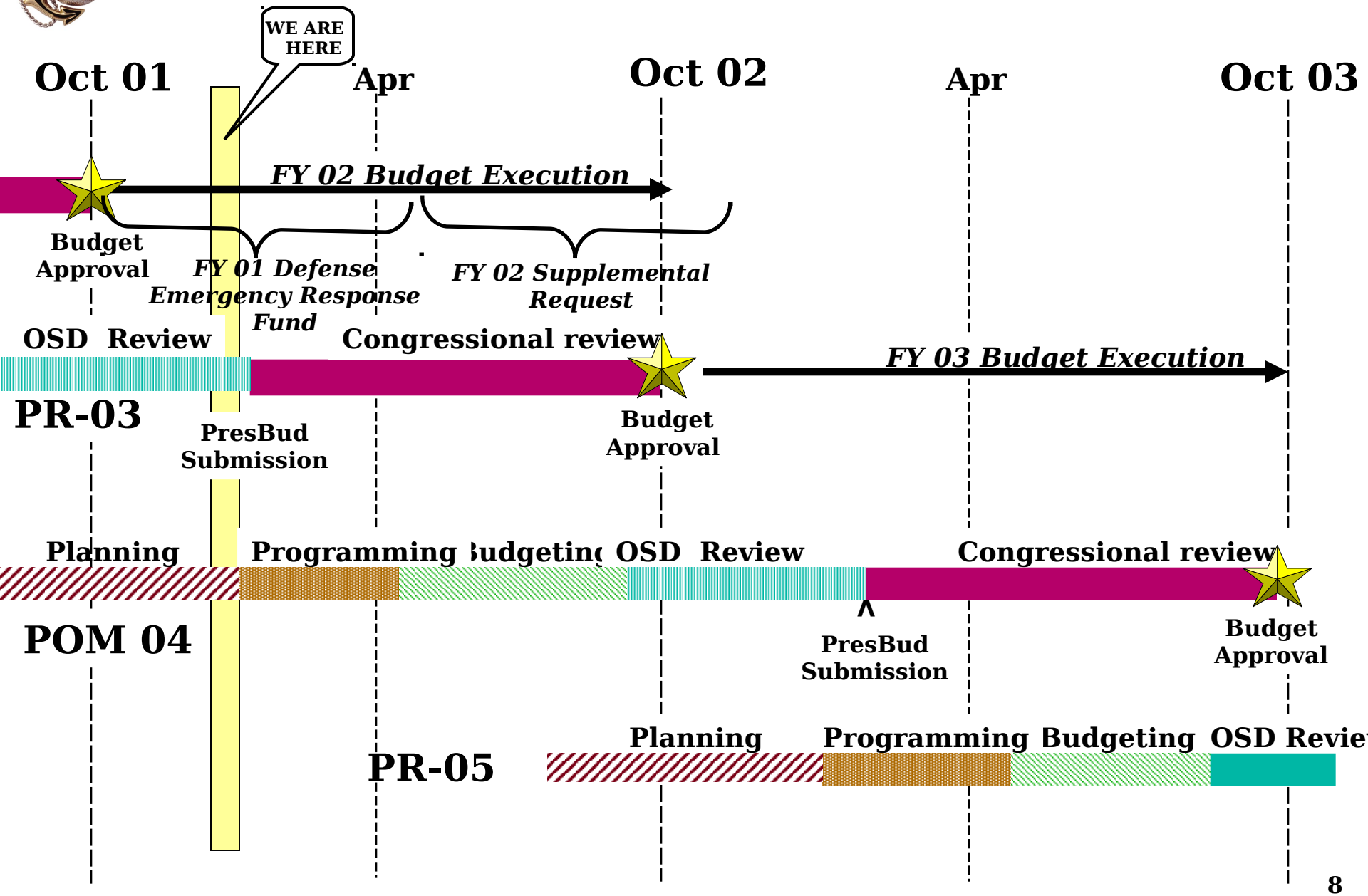
- The POM Process
- FY-02 Status
- PR-03 Status
- POM-04 Plan

The POM Process

DoN PPBS PROCESS



Overlapping PPBS Cycles



Guidance

- DPG
- SecNav Guidance
- CMC Guidance
  - Unfunded Priority List
- CinC Integrated Priority List
- Advocate Requirements List

Front End Assessments

PRG TOPICS*	DATE
• POM Kick-off (P&R) • Health of MarForPac (MFP) • Health of MarForLant (MFL)	25 Jan 02
• Health of CSSE (I&L) • Overarching Tactical Wheeled Vehicle (I&L) • Health of SE (I&L)	14 Feb 02
• Health of ACE (Avn) • Status of C4 (C4)	20 Feb 02
• Health of MarForRes (MFR) • S&T (MCCDC)	27 Feb 02
• Health of CE (MCCDC) • Consolidated Admin (M&RA)	8 Mar 02
• Health of GCE (PP&O) • Development of Training Support Requirements (MCCDC)	13 Mar 02

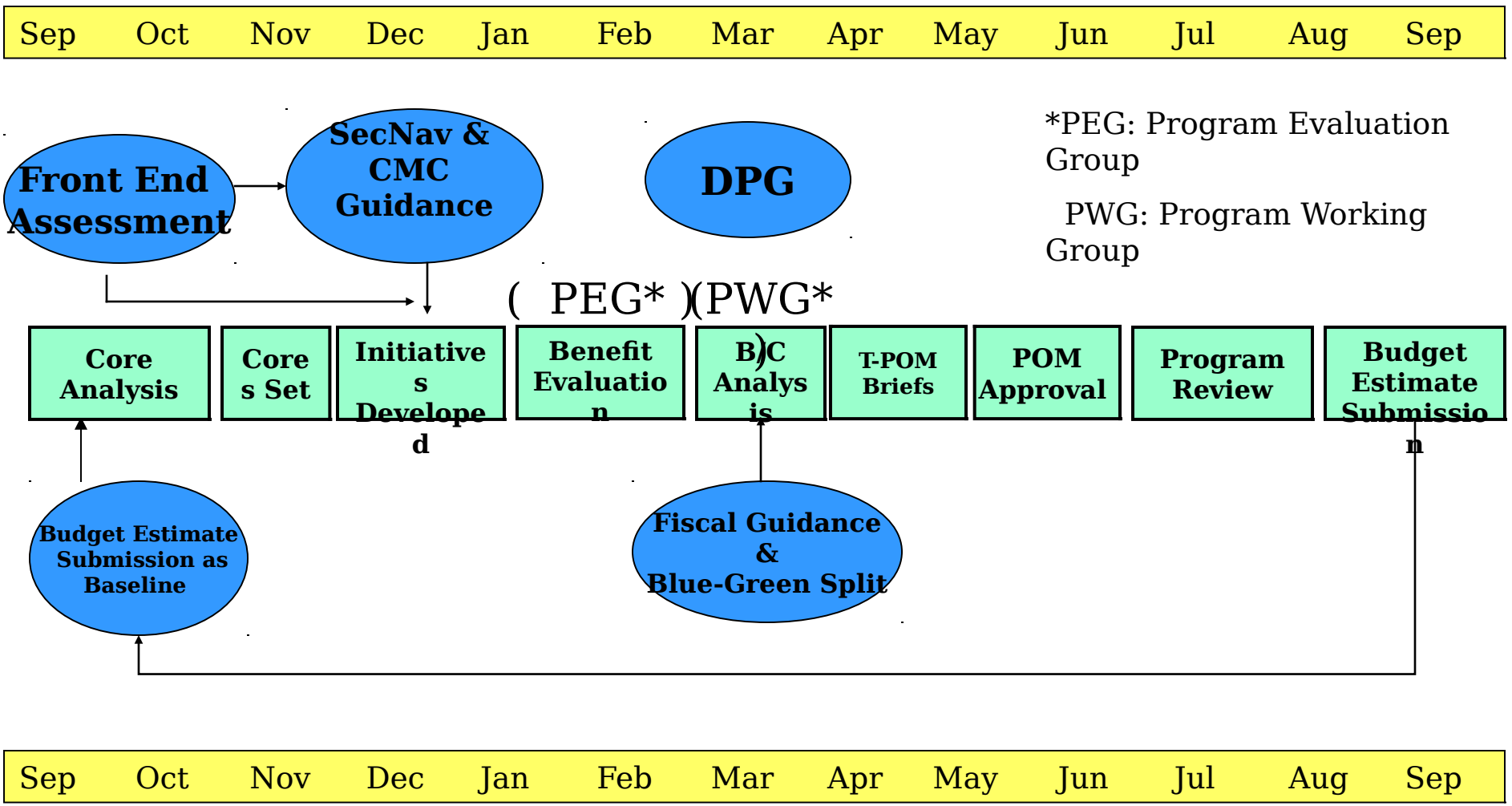
*Navy MCSEs created within topics as appropriate
OPNAV & Navy Secretariat invited to PRGs

Marine Corps Program Development

- Top down Guidance
- Front End Assessments
- Bottom up development
- Fiscally Constrained
- Extensive Use of Benefit (PEG)/Cost (PWG) Analyses
- Prioritized
- Emphasizes Professional Judgment
- Committee approach through Commandant and SE

Goal is a Balanced Program that best fills Marine Corps Needs Within Existing Resources

Building A POM



POM Committee Functions

POM EVALUATION GROUP

- "Duty Experts"
- Prioritize by benefit
- Systematic approach
- Provide justification
- Recommend Program

POM WORKING GROUP

- Review of current Program
- Identify deficiencies
- Prioritize Initiatives
- Identify program Issues
- Develop Alternatives
- Affordability Assessment
- Recommend Program

PROGRAM REVIEW GROUP ☆☆☆

- Assess Warfighting Capabilities
- Review Program Issues
- Assess Program Balance
- Guidance
- Recommend Program

MROC ☆☆☆☆

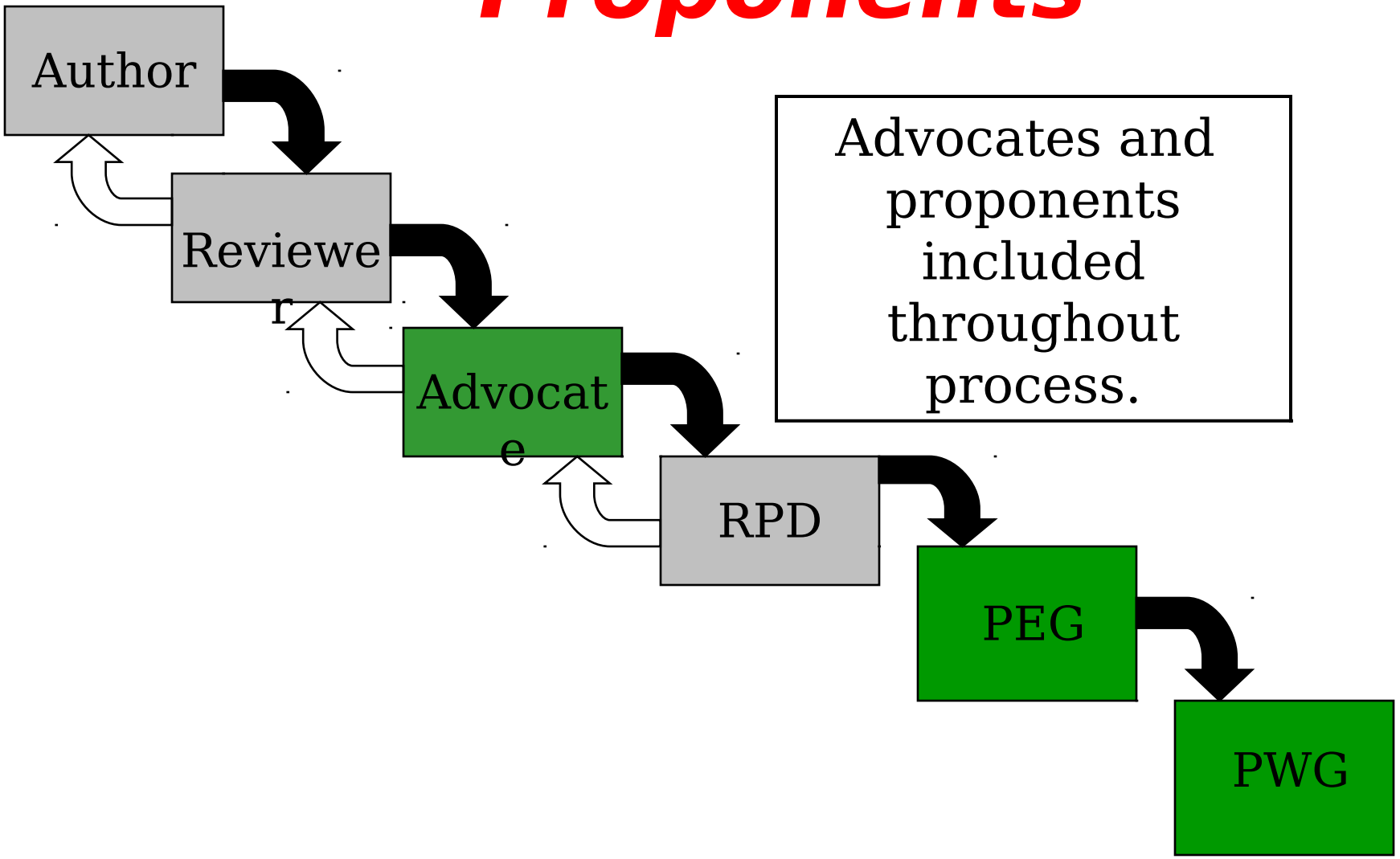
CMC ☆☆☆☆

Guidance Decision

DRAFT POM

Navy Secretariat

Advocates and Proponents



Current PWG Membership

Voting	Non-Voting
DC P&R (Chair)	MarForPac
CG MCCDC (WDID)	MarForLant
CG MCCDC (TECOM)	MarForRes
CG SYSCOM	
DC PP&O	
DC M&RA (MP)	
DC M&RA (RA)	
DC AVN	
DC I&L (LP)	
DC I&L (LF)	
Dir C4	
Dir Intel	
CG MATCOM	

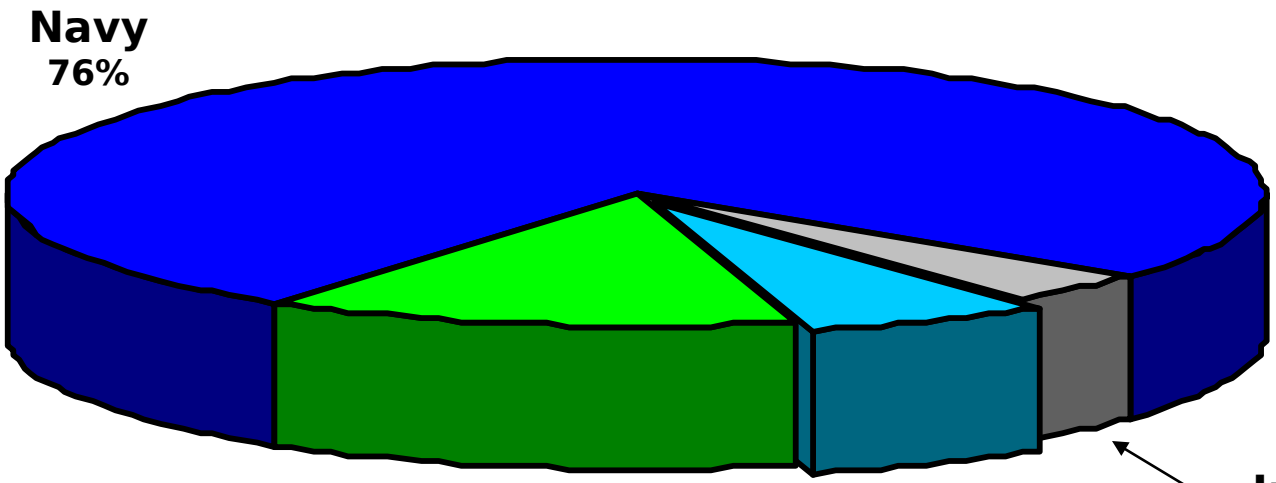
- Reference: Marine Corps Order P3121.1 1 Oct. 91
- Under Review
- Role of the Advocate

Role of the MROC

- Requirements Review / Validation
- Review and Decision Recommendations
- Validate Endgame Issues and Corporate Bills
- T-POM Review / Heartburn

Blue-Green Split

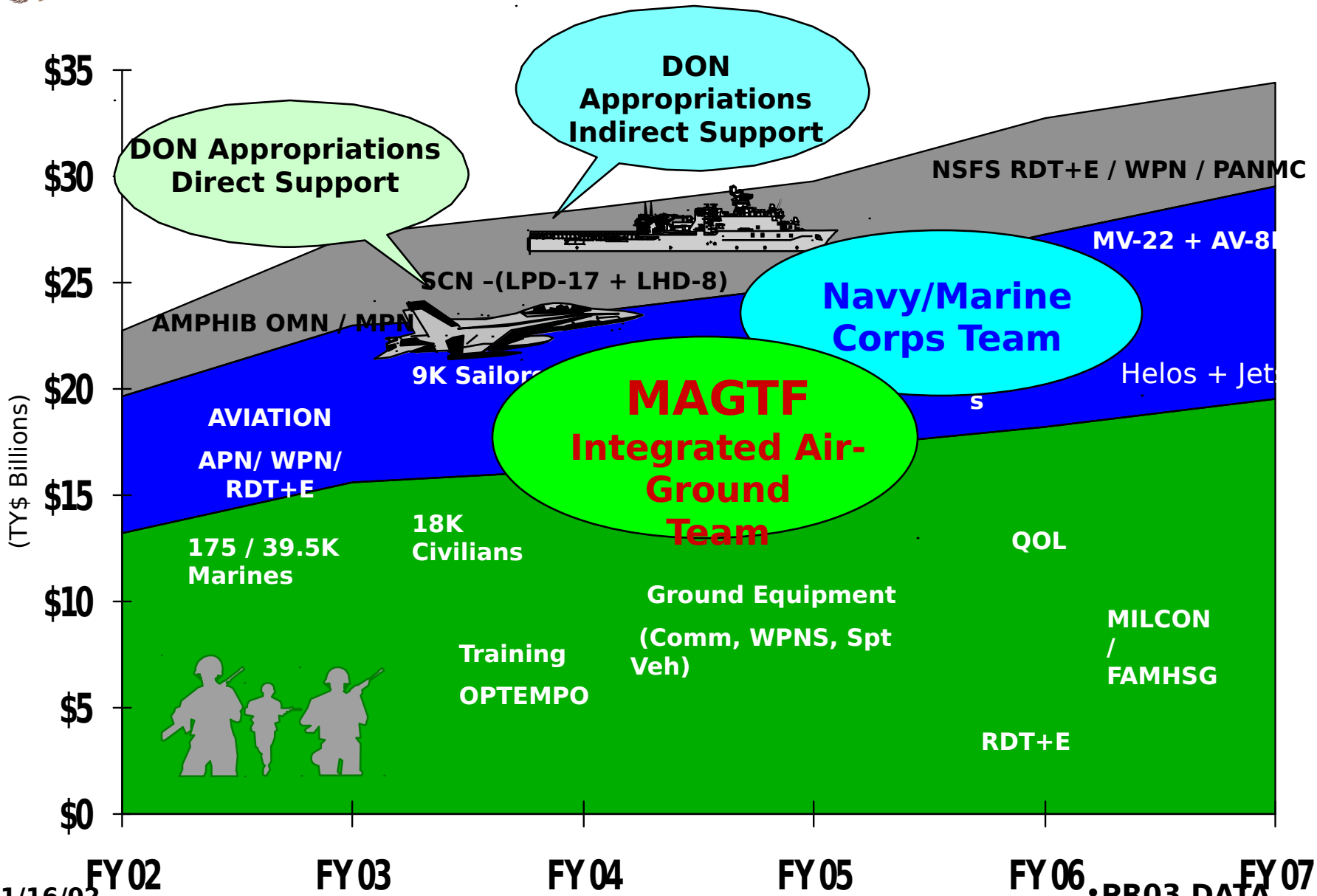
Department of Navy



Perspectives

- TOA: 86% / 14%
- Navy-MC Team: Total Force Capabilities
- Executive: SECNAV, CNO, & CMC

RESOURCING THE CORPS



Agenda

- The POM Process
- FY-02 Status
- PR-03 Status
- POM-04 Plan

FY 02 DOD Budget

Clinton Budget FY02 $310B

Bush Budget FY02A $329B

Appropriated $328B

AT/FP Supplemental $ 16B

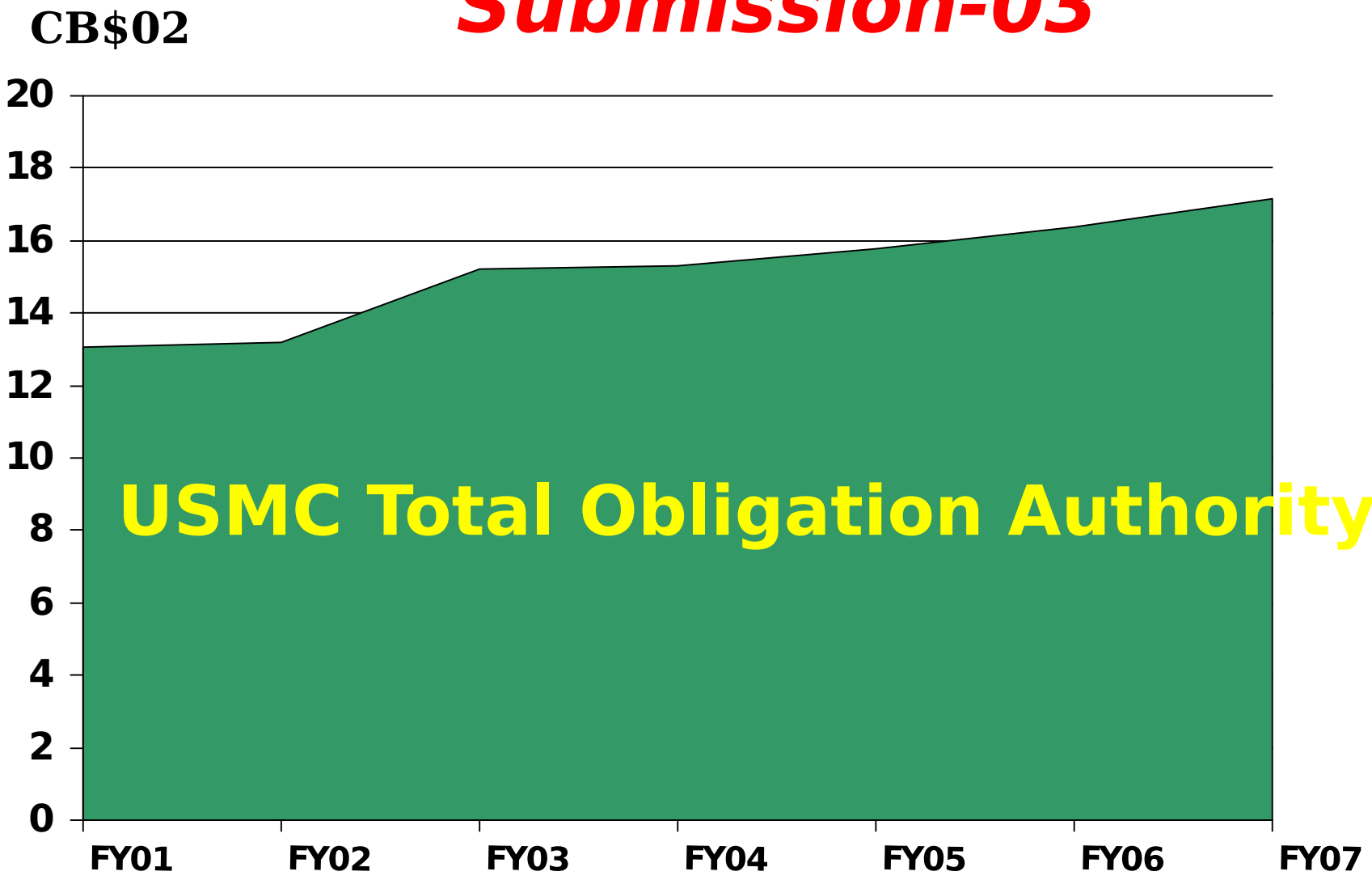
FY02 Rec'd to date $344B

FY02 Spring Supplemental TBD

Agenda

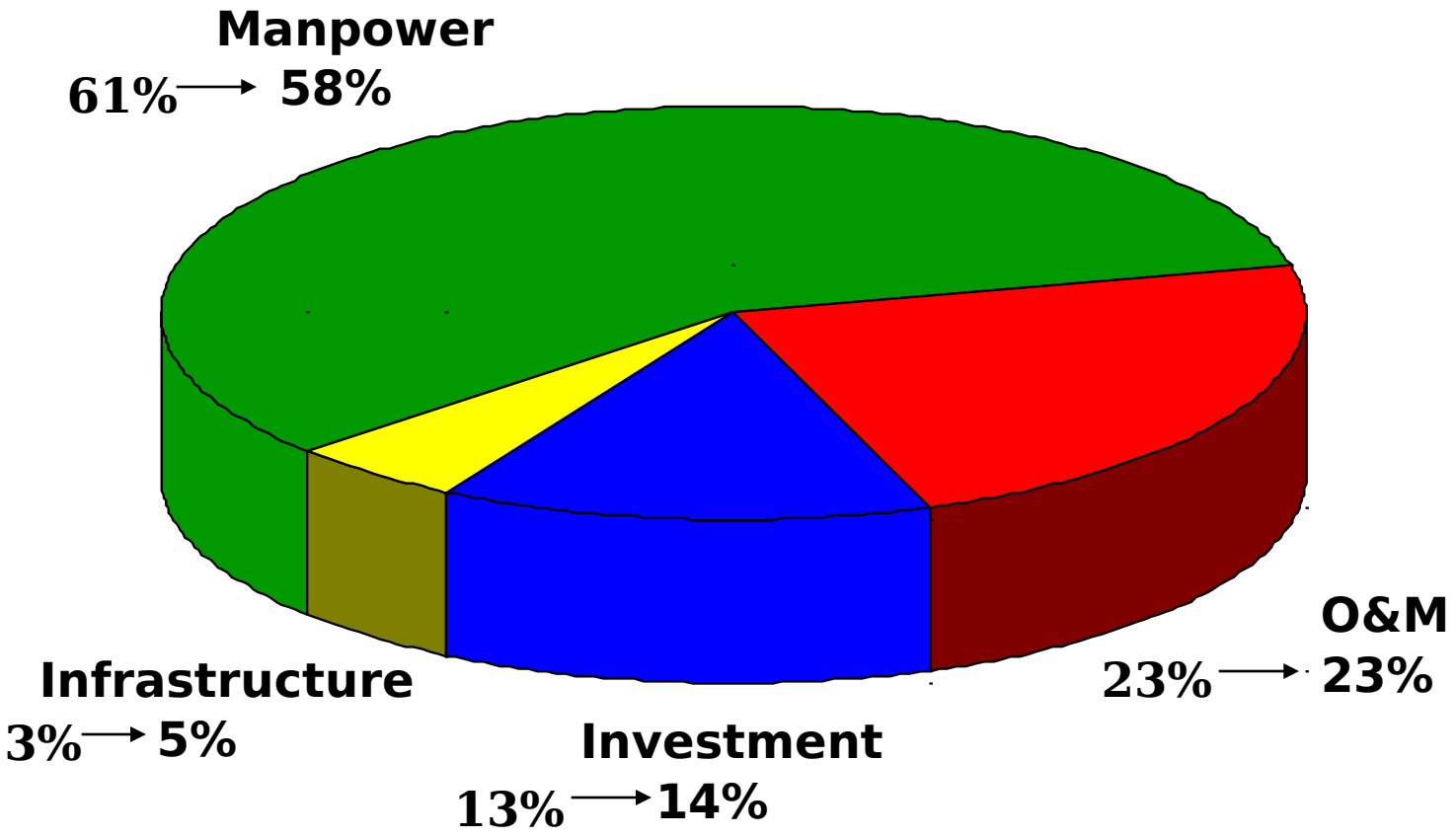
- The POM Process
- FY-02 Status
- PR-03 Status
- POM-04 Plan

Budget Estimate Submission-03



Program Changes

PR-03 FYDP Totals (with changes from PB 0

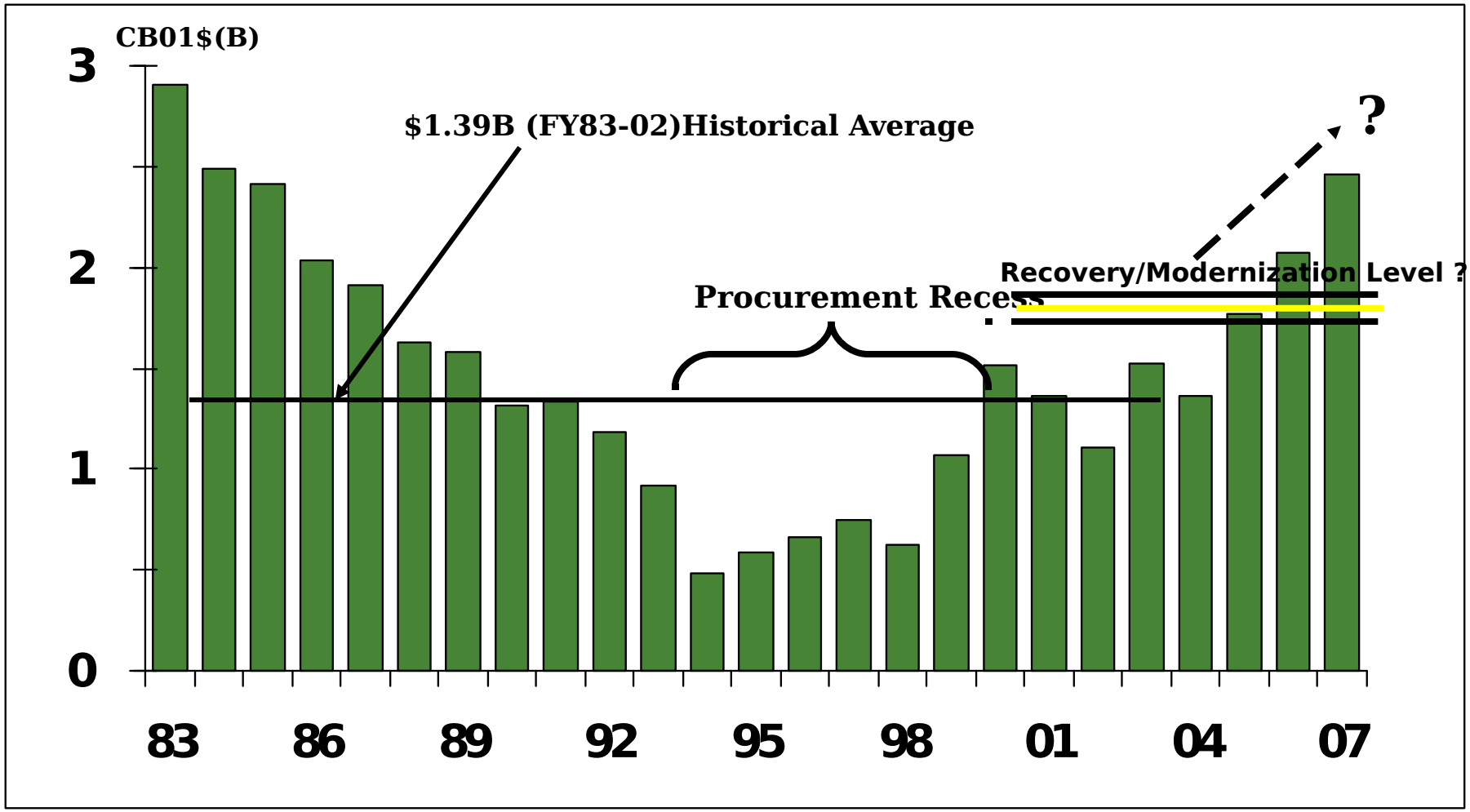


PR-03 Manpower

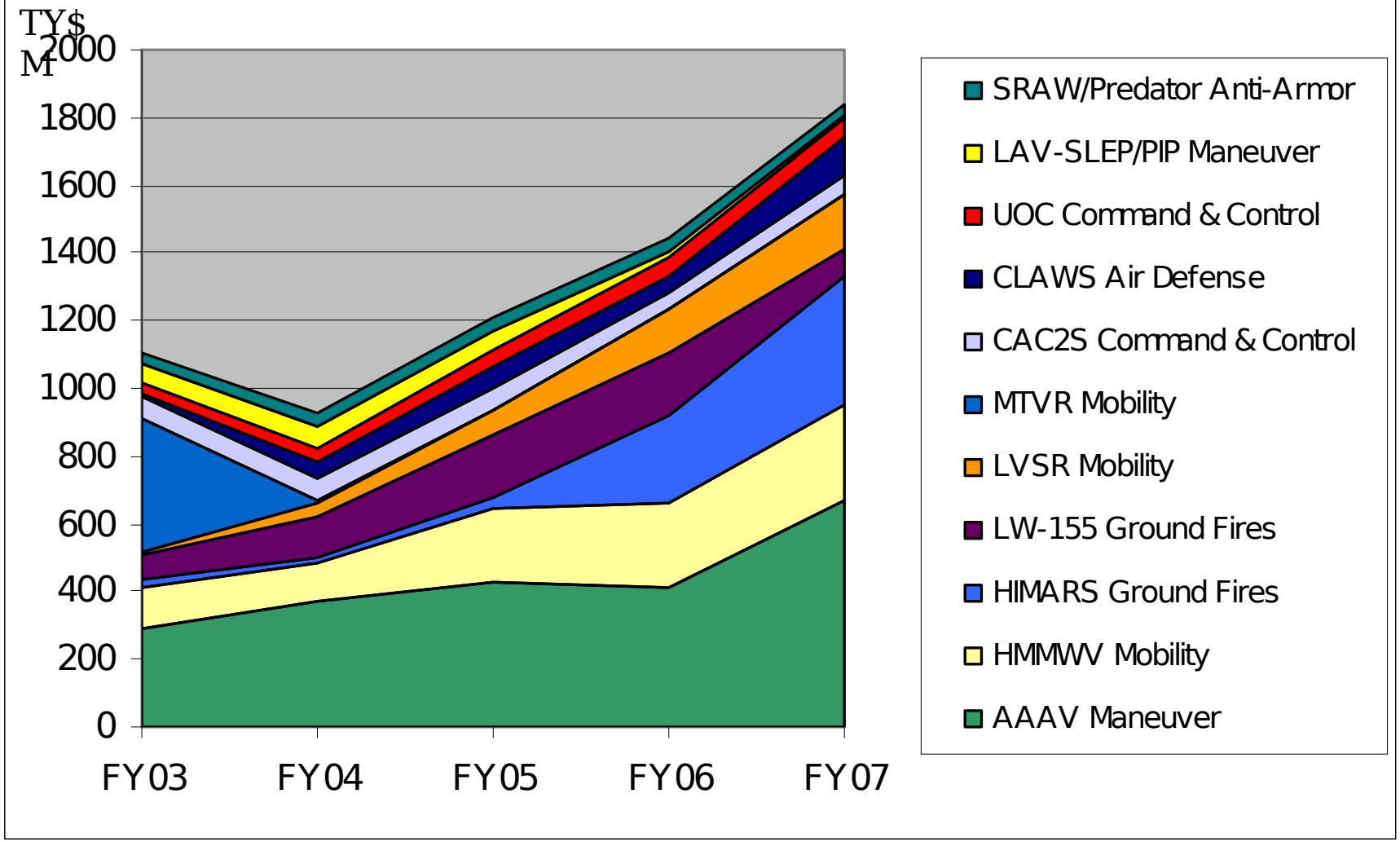
- $51.1B across FYDP
  - Funds active duty end strength of 175,000
  - Funds reserve end strength of 39,558
- Major Issues Funded
  - Funded 4th MEB(AT) end strength increase
  - Funded Health Care Accrual Fund
  - Pay Raise
  - Selective Re-enlistment Bonus
  - Basic Allowance Housing
  - Aviation Continuation Pay

BES-03
Data

Status of Procurement
(PMC & PANMC)



Top Ten Investment Programs



Top Ten programs account for 51% of all Investment dollars

Operation & Maintenance

PR02a to PR03

- MARFORS funding (+28.8%)
- Facilities Sustainment/Facilities Restoration Modernization funding (+39.5%) to comply with OSD recommended level of:

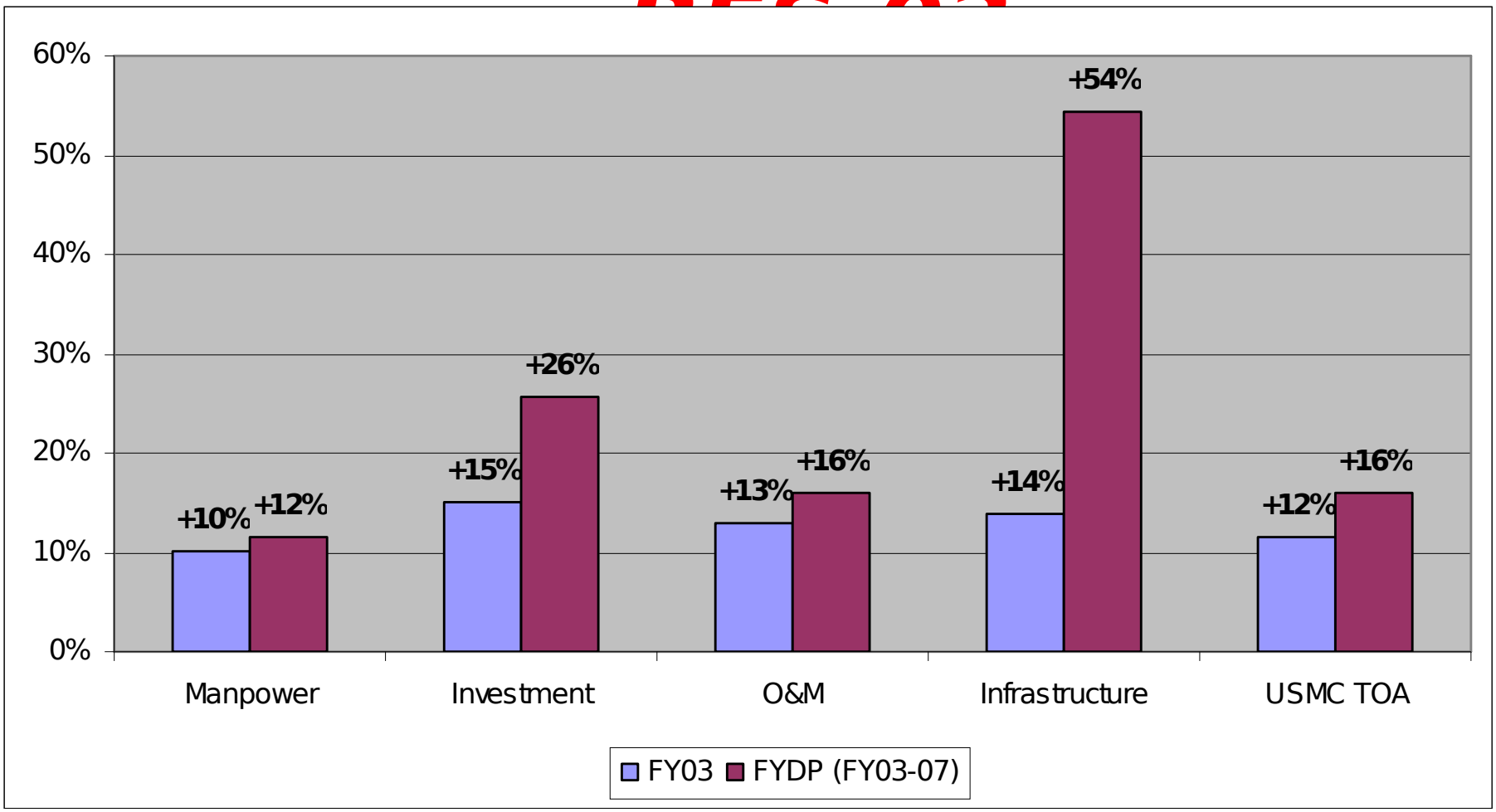
FY03	FY04	FY05	FY06	FY07
$518.50	$577.34	$614.56	$679.93	$796.59

- Marine Corps Community Services Quality of Life goals reached by FY03
- Tuition Assistance funded at 100%
- Depot Maintenance funded at ~ $138M (FY03) (+76.6%)
- Recruiting and Advertising ~ $129M (FY03) (+51.0%)

PR-03 Infrastructure

- Military Construction
  - Achieves BEQ 2x0 standard 2010 (SECNAV goal 2008)
  - Gives 72-year recap rate; DPG requires 67 years by 2010
- Military Construction, Reserves
  - Replace and revitalize Reserve Training Centers and other MFR facilities
- Family Housing
  - Adds construction funding for Public/Private Ventures/eliminates inadequate housing units by 2005 (SECNAV goal accomplished)
  - Funds utilities Program Budget Decision (PBD) 822 tail
- BRAC
  - Fully funded MCAS El Toro and Tustin Environmental Clean-up (by FY07)

Appropriation Changes from PresBud 02A to PES 03



FY03 DOD BUDGET

FY03 Column of FY02 PresBud	$311B
Concurrent Program/Budget Review	+ 48B
FY03 President's Budget	$359B
Cost of War Baseline Increase	+ 10B
Cost of War Operations	+ 10B
TOTAL	$379B

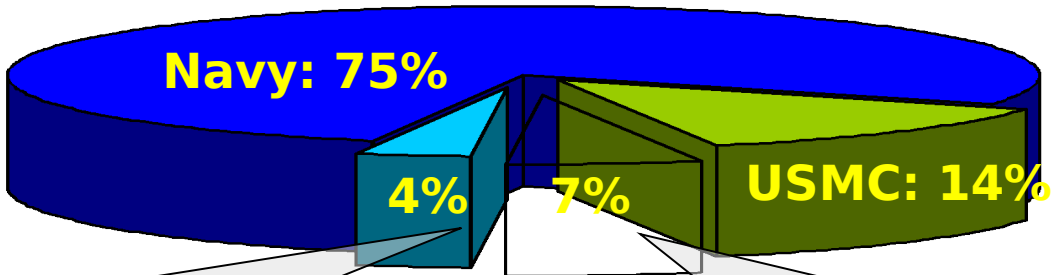
FY03 President's Budget

- Program Decision Memorandum/PBD Actions (Net +$1.7B FY03-07)
  - MILPERS Pay Increase
  - BAH Adjustments
  - Health Care Accrual Change in Estimate
  - Retired Pay Accrual
  - CIVPERS

- Significant Events
  - 4 Feb 02: President submits FY03 Budget to Congress
  - 6 Mar 02: CMC Testimony on DoN Budget to House Appropriations Committee (D)

PB02A to PR03

$108 Billion (FY03)



Navy Indirect Support "BISOG"

What's IN:
- LPD-4 Sustainment
- CG Conversion
- LCAC SLEP
- MPF(F) in FY07
- MPS (OMN)
- Pioneer UAV

What's OUT:
- 1 LPD-17 (FYDP)
- LSD-36 Decom FY03
- FREDERICK LST-1184 Decom FY03
- INCHON (MCS) Decom FY02
- DD-21 reprogrammed DD(X)
- VTUAV

Navy Direct Support

What's IN:
- MV-22 Restructured
- CH-46 ERIP, AIMS
- CH-53E SLEP (R&D/APN)
- KC-130Js
- UC-35
- VH-XX (R&D)
- FHP

Agenda

- The POM Process
- FY-02 Status
- PR-03 Status
- POM-04 Plan

Goals

- Support the DPG
- Support Naval Vision
- Maintain Readiness
- Provide Stability
- Continuous advocate involvement

POM Serials

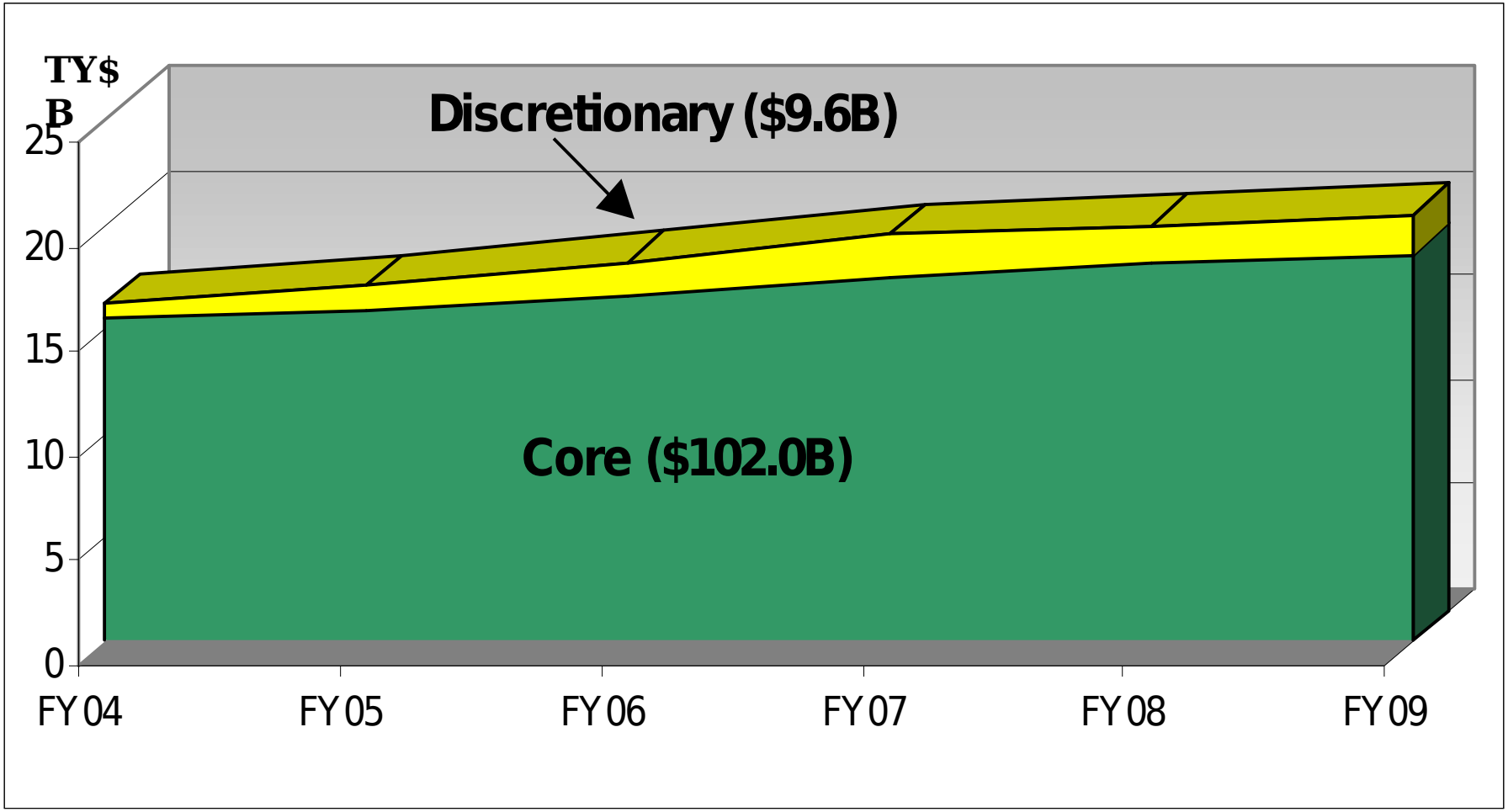
- **To Date:**
  - 04-01: POM-04 Development Plan – 7 Dec 01
  - 04-02: Directed Study/Resource Paper Assign – 14 Dec 01
  - 04-03: POM-04 Core Funding – 20 Dec 01
  - 04-04: Directed Studies Briefing Schedule – 7 Jan 02
  - 04-05: Cost Red & Effectiveness Improvement – 15 Jan 02
  - 04-06: Initiative Submission Guidance – 14 Jan 02

- **What's Next:**
  - PRG / PWG Membership
  - CMC Programming Guidance

POM-04 Starting Point

- Core Setting
  - Set Conservatively
    - Reduced Purchasing Power from PR-03
    - OSD Initiatives / Bills
  - Provides minimum level of programmatic stability for well defined, executing programs
  - Creates discretionary funding
    - More Competition
    - 91% of POM 04 program in core versus 95% in POM 02

CORE

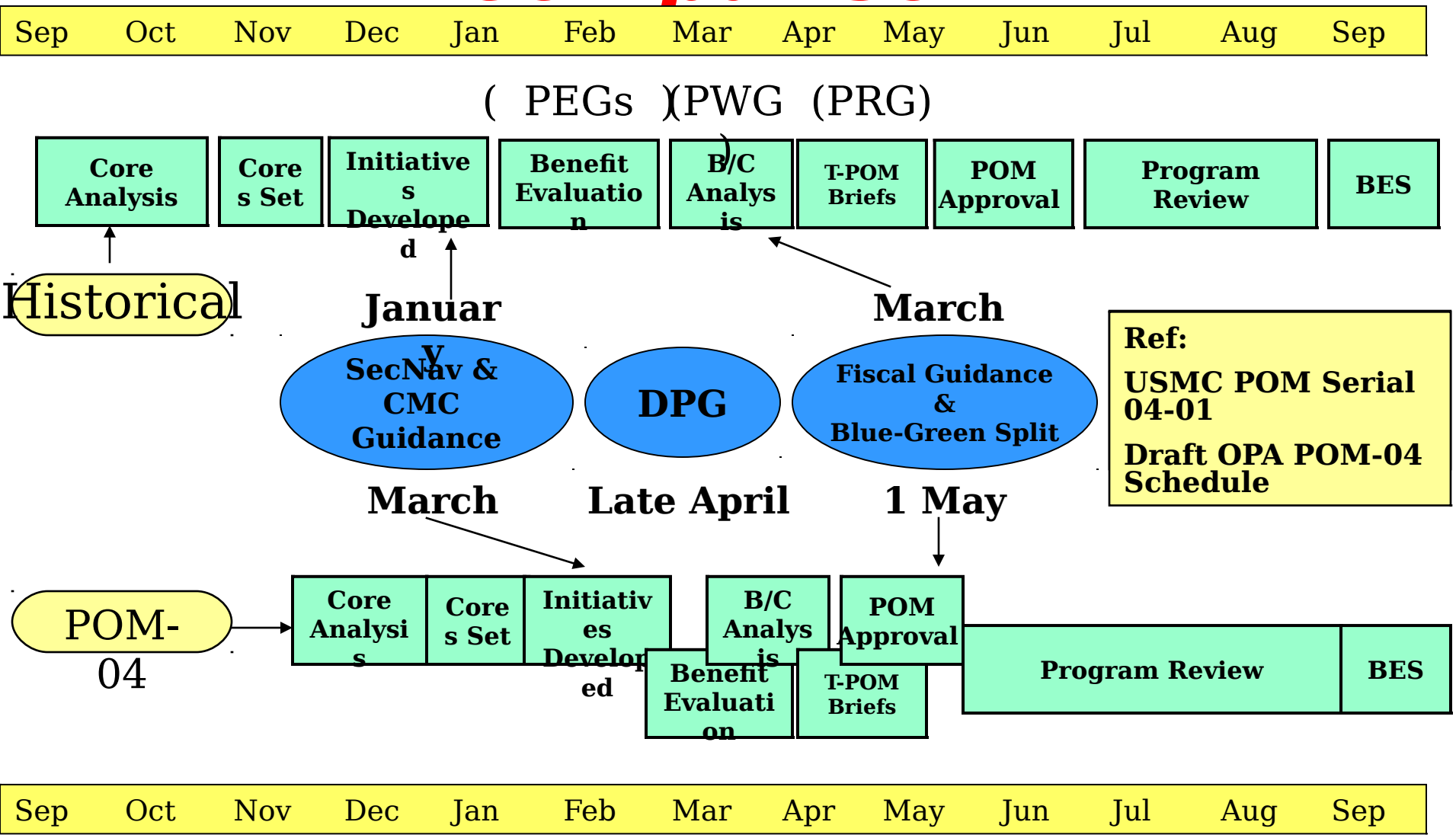

TY$ B
25
20
15
10
5
0
Discretionary ($9.6B)
Core ($102.0B)
FY 04
FY 05
FY 06
FY 07
FY 08
FY 09

POM-04 Milestones

- Kickoff November
- Initiative Development December-January
- Initiative Evaluation February
- Tentative Order of Buy March
- Fiscal Guidance May
- PRG (T-POM) 18 April (T)
- DoN Steering Group (T-POM) 30 April
- DoN Leadership Board (T-POM) 2 May
- Database Lock 3 May

***Draft NavCompt schedule** / ***POM Serial 04-01**

USMC POM Timeline Comparison



POM-04 Challenges

- PR-03 Delay
- Concurrent Program / Budget Build - OSD
- POM Schedule – DON / OSD
- DPG Compliance/Transformation Focus
- Studies Impact (QDR, PDM, DPG-03, DPG-04)
- DON PPBS Scrub
- DON/OSD Bills
- Cost of the War
- PWG Membership Changes
- Maintain Integrity of Process
- Marine Air Ground Task Force (MAGTF) Health/Opportunities

Mission Accomplishment

Ensure Ready, Relevant, Capable Marine Corps

Build a <u>Balanced</u>, <u>Defendable</u> Program

What's Next

- POM Serials for:
  - PRG / PWG Membership
  - PEG Schedule
  - CMC Guidance
- Initiatives due 25 January
- Data base closes 21 February
- Next scheduled PRG 14 Feb 02
  - Health of CSSE/SE
  - Overarching Tactical Wheeled Vehicle